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Ministry of Municipal Affairs and Housing

Annual Report
1996-97



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Municipal Affairs
and Housing

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TO THE LIEUTENANT GOVERNOR OF THE PROVINCE OF ONTARIO

MAY IT PLEASE YOUR HONOUR:

For the information of Your Honour and the Legislative Assembly, we have the privilege of presenting the Annual Report of the Ministry of Municipal Affairs and Housing for the fiscal year ending March 31, 1997.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Al Leach".

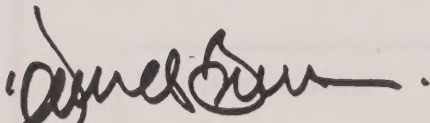
Hon. Al Leach
Minister of Municipal Affairs and Housing

**TO THE HONOURABLE AL LEACH,
MINISTER OF MUNICIPAL AFFAIRS AND HOUSING**

MINISTER:

I have the honour to submit for your approval the 1996-97 Annual Report of the Ministry of Municipal Affairs and Housing.

Respectfully submitted,



Daniel Burns
Deputy Minister

MINISTRY STRUCTURE AND ORGANIZATION

As of April 1, 1997, there were approximately 100 staff posted in the Ministry of Municipal Affairs and Housing, with 20 local government offices and 10 regional offices.

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INTRODUCTION

The activities of the Ministry of Municipal Affairs and Housing in 1996-97 focused on five core businesses:

- Provide the governance and financial framework for local government.
- Develop and administer the legislative and policy framework for land-use planning and define and represent provincial interests.
- Establish and manage the framework to fund and administer social housing.
- Develop and administer a regulatory framework for private rental housing.
- Provide the regulatory framework for buildings.

Early in the year under review, the ministry released its first-ever business plan that outlined its key strategies in these business areas. The business plan supported the government's broad goals of helping to restructure, reduce the cost of government, cut red tape and create new jobs.

The plan also included performance and accountability measures to allow the public an opportunity to measure performance.

Ministry vision

- Local governments that are more efficient, accountable and effective in addressing local needs
- A strong, competitive housing market with protection for the consumer

MINISTRY STRUCTURE AND ORGANIZATION

As of year end (March 31, 1997), there were approximately 1,400 staff located in the head office in Toronto, in seven regional housing operations offices, in 20 local rent control offices and in five regional municipal operations offices.

MAJOR ACTIVITIES AND INITIATIVES IN 1996/97

Who Does What

In May, 1996, the government appointed the *Who Does What* panel, chaired by David Crombie. The panel's mandate was to advise the government on how best to sort out provincial and municipal roles and responsibilities to eliminate duplication, improve accountability and make sure decisions are made at the most appropriate level. During the next eight months, the panel issued a series of letters outlining recommendations on issues such as assessment and property tax, emergency services, social services, transportation and utilities and municipal administration.

In December, 1996, the *Who Does What* panel released its final report and in January, 1997, the government announced a series of major policy directions on how social housing, welfare, education, transit and other services should be funded and delivered. As the year under review was ending, the government was considering a further refinement of provincial and municipal responsibilities in response to municipal input.

The *Who Does What* package would ensure that local services, such as municipal transportation and sewer and water services, are delivered by municipal governments best able to identify and respond to local needs. It would also integrate welfare, health services and social housing at the community level.

At year's end, the province and municipalities were working together to ensure a smooth transition to the new way of delivering services. In particular, two *Who Does What* implementation teams were set up -- one dedicated to social and community health services and the other to all other proposed *Who Does What* changes. The teams were to advise the government on the design, implementation and management of proposed new roles and responsibilities for the provincial and municipal governments. Municipal representatives from across the province were named to serve on the teams.

The *Who Does What* reforms were scheduled to be fully implemented by the year 2000. When concluded, the *Who Does What* initiative was expected to create the greatest change in the provincial-municipal relationship in the last hundred years.

Municipal Restructuring

Locally-initiated restructuring initiatives were underway across the province as municipalities in counties exercised the powers given to them by the *Savings and Restructuring Act* and reconstituted themselves into less costly and more efficient local governments.

Twelve such proposals were completed prior to March 31, 1997, reducing the number of municipalities in these areas from 70 to 20 and the number of local politicians from 361 to 169. The new boundaries were to take effect in time for the 1997 municipal elections.

Unified Toronto Legislation

In December, 1996, legislation (Bill 103 -- *City of Toronto Act*) was introduced to eliminate Metro Toronto and its six area municipalities -- Toronto, Etobicoke, East York, North York, Scarborough and York -- and create a single united City of Toronto. Beginning January 1, 1998, Toronto would be governed by 56 councillors and a mayor, down from 106 politicians in Metro Toronto and its area municipalities. In addition, six community councils would be formed, using the boundaries of the former municipalities.

A transition team would recommend to the new city council the roles and responsibilities of the community councils and would draft a proposed 1998 budget which would promote tax stability and continuity of services. Final decisions would be made by the new council.

A Financial Advisory Board was also established. Its role would be monitoring existing councils' spending and notifying them of any significant financial concerns pending the new unified municipality being formed.

The proposed changes in Metro were to be the first step toward reform of the entire GTA. The next step under consideration was to be the potential establishment of a Greater Toronto Services Board to coordinate area-wide services. In February, 1997, a discussion paper *Developing the Framework for a Greater Toronto Services Board* was released by Milt Farrow, special adviser on the Greater Toronto Services Board. The paper discussed ideas for better coordination of major services such as sewer and water, major roads and transit, and waste disposal and how those services might be coordinated.

Land Use Planning

When the new *Land Use Planning and Protection Act* became law in May, 1996, it introduced a new, streamlined planning system that cut through red tape and helped get rid of obstacles to growth. Changes introduced under the new law included: cutting approval times in half; scrapping a requirement that planning decisions be “consistent with” provincial policies and returning instead to decisions that have “regard to” provincial policies; and again giving municipalities the authority to decide where new apartments can be added to houses.

There were significant reductions in the time taken to issue land-use planning decisions during the first 10 months of the new system. One target was reducing the average time for ministry decisions by 50 per cent in comparison to the previous legislation. This target was exceeded in many cases for 1996/97 as follows:

- Official plans approvals dropped from 22.3 months to 3 months
- Official plan amendments dropped from 14.6 months to 1.9 months
- Plans of subdivision reduced from 33.1 months to 5.9 months
- Consents lowered from 8.8 months to 4.2 months

Local Government

In tandem with the *Who Does What* process to realign municipal and provincial responsibilities, the government also moved forward on giving municipalities more flexibility in their operations. Some highlights:

- In December, 1996, the *Better Local Government Act* (Bill 86) became law. The act enabled municipalities to deliver services at a lower cost. In particular, it provided for a more modern election process at the municipal level such as mail, telephone and touch-screen voting.
- In March, 1997, the ministry issued a discussion paper and draft legislation for a new *Municipal Act*, the law that governs municipalities. The new *Municipal Act* would help reduce red tape and give Ontario municipalities more flexibility to run their affairs as effectively as possible.

- After a year-long government review of how municipalities recover the costs of the services they provide for new growth, a new *Development Charges Act* (Bill 98) was introduced in November. The proposed legislation would create new construction jobs and make home ownership more affordable by changing the way municipalities recover the costs of providing services and infrastructure for growth-related development.
- Five planning boards (Blind River & Suburban, Espanola & Area, Smooth Rock Falls, Temagami and West Nipissing) were given authority to approve land severances and zoning by-law amendments. This gave the boards the same authority as municipalities to zone land, enabling local property owners to go directly to their board to apply for rezonings.
- Three new planning boards were created and two existing boards in the District of Parry Sound were expanded. The new and expanded planning boards were to ensure streamlined local planning services to the 14 municipalities and the 26 unorganized townships in the Parry Sound area.
- Effective February, 1997, a new provincial policy was announced to protect major airports from incompatible development. The policy protected the economic interests of 23 major airports and the communities they serve by preventing new residential development and other sensitive land uses near certain airport lands.
- In May, 1996, the ministry established the first municipal planning authority in Ontario at the request of six municipalities in the Quinte--East Northumberland area. The distinct planning area will enable the municipalities to focus directly on their planning needs and coordinate planning decisions. The municipalities are the Town of Brighton, the Townships of Murray and Brighton in Northumberland County, the Village of Frankford and Sidney Township in Hastings County and the Township of Ameliasburgh in Prince Edward County.

- The Manitoulin Planning Board was delegated local planning authority in May. For example, the board can now approve power of sale applications and adopt by-laws that deal with zoning matters. This move was part of an ongoing effort to give decision-making authority to local governments.

Private Rental Housing Regulation

At year's end, the ministry was continuing to regulate rents in the province's 1.3 million residential rental units. In August 1996, the rent control guideline for the 1997 calendar year was set at 2.8 per cent, the lowest ever.

Also in August, the ministry began province-wide public hearings on a proposed tenant protection system for Ontario. As part of the process, the ministry released a discussion paper entitled *Tenant-Protection Legislation -- New Directions for Discussion*.

The government was proposing a new system of tenant protection which would combine six existing pieces of legislation: the *Rent Control Act*, the *Landlord and Tenant Act*, the *Rental Housing Protection Act*, the *Municipal Amendment Act*, the *Residents' Rights Act*, and the *Land Lease Statute Law Amendment Act*.

In November, 1996, the government introduced the *Tenant Protection Act* (Bill 96) to reform Ontario's system of rent regulation, maintain tenant protection, improve the maintenance of rental buildings, and set the stage for the construction of new rental housing in the province. Under the proposed law, tenants would be fully protected as long as they live in their apartments — the annual rent control guideline would be maintained. The legislation would allow landlords to negotiate a new rent for an apartment after the tenant moves out and the apartment is vacant.

For the remainder of the year under review, the ministry continued to improve productivity and performance in the administration of the existing *Rent Control Act*. Applications were processed faster, and the cost of administering the act was reduced.

Social Housing

On January 14, 1997, as part of the *Who Does What* re-alignment of provincial and municipal responsibilities, the government announced the transfer of responsibility for funding and administration of social housing to municipalities. It was proposed that funding responsibility be transferred to municipalities on January 1, 1998 with the transfer of administrative responsibility for the program to municipalities to be phased in over two to three years.

At year's end, there were 275,000 units of social housing in Ontario of which about 70 per cent were cost shared with the federal government which also unilaterally funds 44,000 of these units. The social housing portfolio in Ontario consisted of the following:

- 173,000 non-profit units including municipal non-profits, cooperative non-profits and private non-profits. About 1,300 of these units were still under development during the year under review.
- 84,000 units of public housing owned and administered by Ontario Housing Corporation on behalf of the province.
- 13,000 units in private sector buildings in which tenants' rents were supplemented.
- 5,000 other subsidized units through native housing programs.

During the year under review, the ministry was working to make the management of social housing more efficient and effective. Some results:

- The average subsidy cost per unit per month (excluding capital improvements and extraordinary items) for Ontario Housing Corporation for the year was \$232, reduced from \$260 in 1995. In 1997, it was expected that this would be further reduced to \$228.
- In non-profit projects built after 1985, the forecasted average regular subsidy cost per unit per month (excluding replacement reserves) as of Dec. 31, 1996 was \$731, reduced from \$785 in 1995-96. A further reduction to \$721 in 1997 was anticipated.

Building Regulation

In 1996-97, the ministry began the process of amending the Ontario Building Code to bring it back to the basics of health, safety and accessibility for persons with disabilities. The Ontario Building Code which sets out standards for construction and renovation of buildings in Ontario, is revised every few years. The code was last revised in 1993.

In September, 1996, the ministry released almost 650 proposed amendments to the Ontario Building Code for consultation with the building industry, municipal building officials and other stakeholders.

Proposed amendments included the level of energy efficiency required by the code, improving access into buildings for people with disabilities, requiring installation of automatic sprinklers in new care homes and improving safety for large non-residential buildings with expanded requirements for the installation of sprinklers in these buildings.

Further ministry activities of note

- The second stage of a two-year funding commitment to municipalities was announced. For 1996-97, this means \$736 million will be provided to municipalities. Municipalities were advised in 1995-96 that they would receive a total of \$1.7 billion over two years through the Municipal Support Program.
- As a result of flooding and tornadoes in the spring, the ministry announced provincial assistance up to a maximum of \$3.725 million under the Ontario Disaster Relief Program. The areas included: City of Timmins, the geographic townships of Mountjoy, Thornloe and Ogden, portions of Grey County, portions of Wellington County and the townships of Chapleau and South Dumfries.
- The *Toronto Islands Amendment Act* (Bill 38) was passed by the legislature to correct financial problems and limit provincial liability related to the Toronto Islands community. The legislation was aimed at making sure the community becomes financially viable in the long term without government funding. It would also preserve public open space on the islands.

Ministry Expenditures for 1996-97

Net program delivery and support	\$93,841,567
Operating transfer payments for Social Housing	1,340,142,340
Operating transfer payments to Municipalities	965,919,291
Capital transfer payments for Social Housing	38,249,800
Capital transfer payments to Municipalities	331,964,371
Loans and advances	1,013,394
Total	2,771,130,763

